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ABSTRACT

It is becoming increasingly clear that "work first" solutions to welfare reform such as Wisconsin Works (W-2) are problematic for families with a disabled parent or child. Wisconsin's existing policies are especially ill-tailored to meet the special needs of the following broad categories of low-income families: (1) W-2 families that include an adult with a disability; (2) families that include a child with a disability, whether the family is in W-2 or not; and (3) people receiving Supplemental Security Income (SSI) or Social Security Disability Insurance (SSDI). W-2 caseworkers do not typically have expertise in identifying and assessing disabilities, and W-2's payment system punishes many families attempting to juggle work and their responsibilities as caretakers of a disabled child. Wisconsin's existing policies also discourage many SSI recipients who are able to work from seeking employment. The following are among recommendations for making Wisconsin's policies more responsive to the special needs of families with a disabled member: (1) eliminate 2-year W-2 time limits for individuals with major employment barriers; (2) exempt parents of preschool-age children with disabilities from work requirements; and (3) eliminate the work requirement to receive child care assistance for education for non-W-2 parents on SSI and SSDI. (10 references) (MN)

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Issue Four

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A PUBLICATION OF THE WISCONSIN COUNCIL ON CHILDREN & FAMILIES

WORKING & POOR

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ISSUE FOUR MAY 2000

People With Disabilities:

Confronting Obstacles, Old and New

This issue was prepared with the assistance of the Wisconsin Council on Developmental Disabilities.

Casual observers tend to judge the success of welfare reform by the sheer volume of people no longer receiving assistance. The smaller the caseload, the better the program. As the reformation process continues, however, it is becoming clear that recent changes in the welfare system are serving some populations better than others. A gentle (or not-so-gentle) push into the worker pool is only appropriate for those prepared to swim in it. While the tight labor market has allowed the majority of Wisconsin's welfare recipients to find jobs without too much difficulty—albeit very often low-paying, dead-end jobs—those with more persistent obstacles have struggled. Parents whose ability to work is limited by a disability, either their own or that of a family member requiring their care, represent one group that is being served particularly poorly by a system that places so much emphasis on work.

While every family's situation is unique, there are three broad categories of low-income families in Wisconsin whose situations this publication addresses:

1. Wisconsin Works (W-2) families that include an adult with a disability;
2. Families that include a child with a disability, whether the family is in W-2 or not; and
3. People receiving SSI.

Shallow Assessing Can Be Depressing

Many policy makers are just now beginning to understand that "work first" solutions to poverty are problematic for parents with disabilities. As welfare caseloads decline nationally, an increasing portion of remaining participants have major, multiple barriers to employment, including such disabilities as cognitive limitations, mental health problems, chronic illnesses, substance abuse and learning disorders. Based on studies in several states, it has been estimated that one-fourth to one-third of current Temporary Assistance for Needy Families (TANF) recipients have a serious mental health problem; upwards of one-fifth have physical impairments that limit their ability to work; and one-fifth to one-third have learning disabilities (Sweeney, Center on Budget and Policy Priorities, 2000).

Illustration courtesy of The President's Committee on Employment of People with Disabilities.

The consensus seems to be that policies affecting adults with disabilities on W-2 should be aimed at helping them succeed in the workforce. Unfortunately, the existing system was not designed with this population in mind. Because AFDC did not impose work requirements on people with disabilities, welfare agencies have not historically been good at recognizing or addressing the range of disabilities that keep people out of the workforce. Assessment remains a major concern in the post-AFDC era. W-2 caseworkers are billed as financial planners and employment counselors. They do not typically have expertise in identifying conditions like learning disorders, depression, anxiety and behavior problems. Yet these conditions abound among the welfare population. A recent survey (post-welfare reform) found that 27 percent of recipients met the criteria for major depression, 15 percent for post-traumatic stress disorder, and 7 percent for generalized anxiety disorder (Danziger, University of Michigan, 1998).

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Kristi's Story

"Last Tuesday, I was informed by my FEP (financial employment planner, as W-2 caseworkers are known) that I would no longer be eligible for W-2, not because of my income, but because I am classified as "job ready" in the county's eyes. I have twin daughters, one of whom has special needs. Adrienne requires G-tube feedings, nebulizer treatments, and frequent suctioning. She is also on medication three times per day and takes about an hour to be fed a meal orally. She falls easily and fatigues fast, requiring the part-time use of a wheel chair. Adrienne is also nonverbal and communicates using modified sign language, and other gestures that I am able to interpret.

Although I do work part time, child care for my daughter does not exist. Even if it did, I would probably be at home even more frequently than I already am, since she is sick so often. Adrienne's medical supplies can only be ordered once a month. Because the company cannot ensure a time when they can be delivered, I am forced to take at least part of the day off, if not all day.

I don't deny that I am employable. I have lots of skills, some tech college, and loads of resources to offer. My problem is that I CANNOT BE RELIABLE because of my daughter's medical needs. But in the (Department of) Workforce Development's eyes, I am employable and should be working full time. Magically they think either my daughter's disability will disappear, my daughter will disappear, or I will disappear...."

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Not surprisingly, inadequate assessment leads to big problems for W-2 participants with disabilities. W-2 withholds cash benefits when a participant fails to comply with the program's requirements. This policy assumes that the failure is willful - that the person has both the capacity to understand the rules and the ability to comply with them. The reality is that any number of physical, mental or cognitive disabilities can easily interfere with the ability to appreciate or fulfill program requirements. The state's rhetoric suggests a refusal to acknowledge this issue. A DWD study of all AFDC and W-2 case closures between September 1997 and September 1999 describes noncompliance using terms like "chose not to," "refused to," and "failed to." There are no categories for "unable to" or "incapable of." (DWD Welfare Closure Study, 2000)

This is often the population welfare advocates have in mind when they speak of families "falling through the cracks" in the new welfare system. Consider this sobering statistic: A study of Milwaukee families who were involved in the conversion from AFDC to W-2 found that among those who reported a personal disability or health problem or the disability or health problem of a family member, 23 percent were not employed, were not in a W-2 work training placement and did not receive either SSI or a kinship care payment. In other words, nearly a quarter of them had no identifiable means of reliable support (Swartz, Hudson Institute/Mathematica, 1999).

Even when a participant's disability has been accurately identified, the program is not always very good at accommodating her needs. W-2 is a highly discretionary system; there is no guarantee that a work assignment will be appropriate given the participant's limitations. This can occur even when those limitations-for example, the inability to sit or stand continuously-have been documented by a medical professional. While caseworkers enjoy a great deal of flexibility in how they design a participant's employability plan, the plan itself often lacks the flexibility to adjust for changing needs caused by a disability. In fact, focus groups and surveys conducted by the Wisconsin Council on Developmental Disabilities (WCDD) suggest that many W-2 and Division of Vocational Rehabilitation (DVR) agency staff do not understand how much and what kind of flexibility they actually have in assigning W-2 work activities (Enright and Hoffman, Wisconsin Council on Developmental Disabilities, 1999).

No Breaks for Caretakers

W-2 families that include a child with a disability face a separate set of problems. These parents encounter huge obstacles in the workplace. Quality day care for special needs children is extremely scarce. Because so few facilities are adequately equipped or staffed to accept these children, parents are often on their own, in spite of a recent change in the rules for child care assistance that makes subsidies available for children with special needs up to age 17. Naturally, that makes it tough to stay employed. Most jobs, especially the low-wage jobs generally available to people leaving welfare, lacking education, or with spotty work histories, are simply not flexible enough to accommodate the time demands associated with caring for a special child, such as those caused by frequent illnesses, doctor's appointments and school absences. Even the most understanding employers may balk at making so many allowances.

As a result, employment is a revolving door for many parents of children with disabilities. A lot of them cycle on and off of welfare. Unfortunately, W-2's payment system punishes families that bounce back and forth. Since it can take several weeks to get an initial check upon re-enrolling in the program, some people don't bother reapplying. Others who do reapply may be found "job ready" and denied cash assistance. A parent who loses a job because of a child's disability may be without any income for a significant length of time, potentially leading to eviction and other hardships.

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Welfare time limits are another looming problem for these families, and indeed for all families with major employment barriers. Federal law places a five-year lifetime limit on the receipt of TANF assistance. W-2, however, limits to just two years the duration one can remain at any placement level. Only a person capable of climbing the W-2 ladder can expect to remain in the program for more than two years-bad news for somebody whose disability is severe enough to prevent her from performing a community service job (CSJ), or whose children have long-term disabilities that require her to provide significant care. While time limit extensions are possible, they are not guaranteed. Each extension application is reviewed individually. The process is highly discretionary, and extensions are granted for only six months at a time. Twenty-four states have exempted people with disabilities (using a variety of definitions) from their state TANF program time limits (Kramer, Welfare Information Network, 1999). W-2 exempts nobody, regardless of whether their situation is likely to change within two years, or five years, or a lifetime. Exempting families dealing with long-term disabilities from state time limits seems like common sense. Another reasonable response would be to eliminate the two-year W-2 time limits altogether.

No Sense In Disincentives

Some low-income parents with disabilities may be eligible to receive Supplemental Security Income (SSI). SSI eligibility is based on an extremely restrictive definition of disability. Only those who have the most severe disabilities — expected to last at least a year or result in death, and which prevent substantial gainful activity — can get it. The Americans with Disabilities Act, which by federal law applies to TANF programs, uses a different definition: a physical or mental impairment that substantially limits one or more major life activities. There is a huge gap between these two notions of what constitutes a disability, and many families tumble straight into that gap. A disability bad enough to make holding a job exceedingly difficult is not necessarily bad enough to satisfy SSI criteria.

People on SSI are not eligible for W-2. Instead, they may receive a Caretaker Supplement (C-Supp) to assist in supporting their children. The C-Supp was originally set at $77 per month per child, a sum so small that it left many families mired in extreme poverty. It has since been raised twice, and now stands at a less stingy $250 for the first child and $150 for each additional child. [Note: Because people on Social Security Disability Insurance (SSDI) are not eligible for either W-2 or C-Supp, SSDI families with low incomes are truly in a bind.]

Many people receiving SSI are actually capable of working at least part time in some capacity, and would in fact prefer to do so. And given the current labor shortage, many employers are eager to hire them. The catch is that the rules attached to some assistance programs may actually discourage SSI recipients from seeking employment. Income from a job jeopardizes their other benefits, most importantly their medical assistance. Too much work income may also mean reduced food stamps and housing assistance. In interviews conducted by WCDD, 80 percent of parents receiving SSI reported that they would like to work, but only 7 percent were actually employed at the time of the interview. Fear of losing benefits was one of the most frequently cited reasons for not working. Nearly two-thirds of the parents interviewed perceived a need for changes in the SSI program to remove the SSI work disincentives (Hoffman and Fischer, Wisconsin Council on Developmental Disabilities, 1998).

Recently, the Federal and state governments have taken action to help eliminate fear of losing medical coverage as a barrier to employment. People with disabilities whose family income is at or below 250 percent of the federal poverty level (FPL) can now choose to buy into the Medicaid system, provided they meet other eligibility criteria. Premiums are based on a percentage of income minus certain allowances. Families below 150 percent FPL do not have to pay a premium.

Marla's Story

I would really like to work, but the system is totally stacked against me. When I had my first baby, I dropped out of school, so I never got my high school diploma. Then I got severe arthritis, and I could no longer work at physical kinds of jobs. I got on SSI, and now that they increased the C-Supp we're managing to get by, but my kids deserve a lot better life than this. I know we could be a lot better off if I could go back to school and get my GED. If I could just get an education, I'm sure I could do a lot of jobs where I could use my brain instead of my body, and make a lot more money than we are currently getting. But to do that I need to get child care assistance, and the rules say I can only get child care for school if I am also working. If I could work, I wouldn't be in this mess. I can't do any of the jobs that a person with no diploma is qualified for. It's hard enough for able-bodied people to get it together and get an education. For me it's even harder, but instead of supporting my desire to become self-sufficient, the rules are blocking me every step of the way. I want to be independent, but what I want doesn't seem to count.

"I want to be independent, but what I want doesn't seem to count."

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Percentage of former welfare recipients in Milwaukee reporting a decline in their standard of living when AFDC gave way to W-2:

Among those with no reported disability that limits work— 22%

Among those reporting a personal or family member's disability that limits work— 45%

Source:

Hudson/Mathematica survey of former AFDC recipients in Milwaukee.

In Wisconsin, the Division of Vocational Rehabilitation (DVR), part of the Department of Workforce Development (DWD), administers a number of programs aimed at helping people with disabilities succeed in the workplace. In addition to providing job search, training and retention services, DVR also tries to connect employers with workers capable of performing available jobs in spite of disabilities. But because DVR has very limited resources, only a fraction of eligible applicants are actually served. Priority is given to those with the most severe disabilities. One particularly promising program, run by DVR in coordination with the Department of Health and Family Services (DHFS), is the Pathways to Independence demonstration project. The goal of Pathways is to remove many of the barriers that prevent people with disabilities from going to work, including the risk of losing medical assistance and SSI benefits. The program targets four categories of people with disabilities: AIDS/HIV, mental illness, physical disabilities, and developmental disabilities. People enrolled in Pathways can rely on continued heath care coverage and a gradual tapering of cash assistance as their earned income increases. Pathways also creates unified delivery of an assortment of services and programs that are usually administered in a very fragmented, uncoordinated way. While the Pathways program addresses many of the most serious concerns of people with disabilities, it is still essentially a research project. Its 17 operation sites do not serve people in each of the four target groups in every part of the state.

Conclusion

Much of the rhetoric behind welfare reform had to do with choices: The argument was that people were choosing to remain on welfare because it did not pay to leave. Regardless of whether this reasoning was sound (and much evidence suggests it was not), it simply does not apply to people with disabilities and their families. People do not choose to have health-related barriers to employment, or to have chronically ill children, and we should not accept a system that creates hardship for those families. Helping people with disabilities succeed in the workforce makes sense. Trapping in deep poverty those unable to sustain employment does not. Here are a few recommendations:

- Eliminate two-year W-2 time limits for individuals with major employment barriers, especially those in W-2T, the program's lowest tier.
- Exempt parents of pre-school age children with disabilities from work requirements. Make work requirements part-time and flexible for those with school age children with disabilities.
- Expand efforts to eliminate work disincentives for SSI recipients.
- Work to expand day care options for children with special needs.
- Eliminate the work requirement for non-W-2 parents, especially parents on SSI and SSDI, to receive child care assistance for education.
- Explore ways to protect those with learning disorders and subtle mental illnesses from W-2 sanctions.
- Require payment of initial W-2 grant within 14 days of placement.
- Increase the W-2T grant to an amount equal to the CSJ grant for families caring for a member with a disability.

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